

Complete Agenda



Democratic Service
Swyddfa'r Cyngor
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To: Members of the Cabinet

08 December 2022

Dear Cabinet Member,

CABINET – 13 DECEMBER 2022
URGENT ITEM – YSGOL TREFERTHYR – INCREASE IN THE CAPITAL BUDGET
OF THE PROJECT

I enclose urgent reports in respect of the following items:-

1. URGENT ITEMS

2 - 5

Yours sincerely,

Annes Sion

Democratic Team Leader

Agenda Item 3

REPORT FOR THE CABINET

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|-------------------------|---|
| Date of meeting: | 13 December 2022 |
| Cabinet Member: | Councillor Beca Brown |
| Liasion Officer: | Gwern ap Rhisiart – Dwyfor Meirionnydd District Education Officer |
| Title of item: | Ysgol Trefferthyr – increase in the capital budget of the project |

1. THE DECISION SEEKED:

- 1.1 To approve increasing the budget for the development of the new Ysgol Trefferthyr to **£8,145,206**.
- 1.2 Allow the transfer of **£3,261,880** from the remaining budget of the Sustainable Learning Communities Programme envelope (Band B) in order to meet a significant increase in the costs of the project, accepting that it will lead to less budget available to realise other projects within Band B of the Learning Communities Programme Sustainable Gwynedd.

2. BACKGROUND

2.1 STATUTORY PROCEDURE

At its meeting on 18 May 2021 the Cabinet finally confirmed the proposal to increase the capacity of Ysgol Trefferthyr to 150 and relocate the school to an alternative site referred to as the A497 site on 1 September 2023, in accordance with Section 53 of The School Standards and Organisation (Wales) Act 2013 and the requirements of the School Organisation Code 11/2018.

Impact assessments on the community, Welsh language, Well-being and equality were carried out and these can be seen by following the link here: [Impact Assessments](#)

2.2 CAPITAL FINANCE

2.2.1 Sustainable Learning Communities Programme Grant

Following the submission of an application for funding from the 21st Century Schools Programme, now the Sustainable Learning Communities Programme, confirmation was received through a letter of agreement on 24 March 2021 that the Welsh Government has agreed to fund £3,174,162, which is 65% of a total budget of £4,883,326, for building a new school in Cricieth, with Gwynedd Council contributing the other 35%.

The costs for the BJC application were based on market prices at the time and on the Welsh Government's 21st Century Schools Programme business case guidelines.



2.2.2 Childcare Grant

In addition to Sustainable Learning Communities Programme funding, the Welsh Government has agreed to a Childcare Grant contribution of £308,000 to enable us to include an early years unit on the new school site. This grant has already been claimed in March 2022.

2.2.3 Additional Learning Needs Grant

A contribution of £300,000 from the Welsh Government's Additional Learning Needs Grant has been approved for locating an Additional Learning Needs Assessment Unit on the new school site.

2.3 STEPS COMPLETED

2.3.1 Appointment of main contractor

In 2019 a Main Contractor was appointed to the project on an 'Early Contractor Involvement (ECI)' basis to be part of developing the design, under the guidance of the Architect, and to go on to be the Main Contractor.

2.3.2 Archeological survey

Comprehensive archeological surveys have been carried out on the site with some prehistoric artifacts being discovered. A report is being prepared for consideration by Gwynedd Archeological Planning Service to decide on any further work.

2.3.3 Planning application

The plan has received planning approval and we are ready to start work on site once the archaeological survey report has been approved by the Gwynedd Archaeological Planning Service and the additional funding has been confirmed.

2.3.4 Purchase of land

The land for the new school site has been purchased.

2.3.5 Request to the Welsh Government for an adjustment to Ysgol Trefferthyr's budget

A request to increase the Ysgol Trefferthyr budget to £8,145,206 has been approved by the Welsh Government on 28 November 2022. The Cabinet's decision will need to be confirmed before their Investment Panel meeting on 15 December 2022 for them to make a decision on transferring funds to the Ysgol Trefferthyr Project from another project within the Sustainable Learning Communities Programme.

3. REASONS FOR THE NEED FOR THE DECISION

3.1 An increase in the school's development costs

Following the Welsh Government's approval of a full budget of £4,883,326 for the project in March 2021 costs have increased significantly as a result of an increase in the costs of materials, fuel, energy and inflation in the last eighteen months. Because of this a new price of **£6,930,644** was received from the Main Contractor in September 2022 for the construction of the school resulting in an increase in costs of **£3,348,810**.



3.2 Increase in the costs of archaeology

The original archaeological study did not show any area of historical interest on the site. Nevertheless, a geophysical study was commissioned and following that, the Gwynedd Archaeological Planning Service requested the work of trial trenches on 10% of the site. We managed to finance this work within the original budget. Following the excavation, the remains of one possible bronze age grave was discovered and as a result further work was required as a planning condition. This further work has been completed and a report will be presented to the Gwynedd Archeological Planning Service. It is therefore anticipated that carrying out this additional archaeological work will cost an additional **£120,000**.

3.3 Increase in construction costs to Net Zero Carbon (in use)

When designing the school, Gwynedd had succeeded in planning a building that is carbon-free, that is, net zero carbon in operation, within the budget agreed with the Welsh Government. Unfortunately this element of the design has now seen extremely high inflation including the costs of the high levels of insulation included and some of the mechanical and electrical elements, particularly the air source heat pumps.

Gwynedd Council is committed to the future of carbon-free schools and we now propose that we should not only keep the original zero-carbon elements of the design but also add photovoltaic panels and batteries. In order to do this we will need to add **£200,000** to the budget.

3.4 Value Engineering Savings

As the design development work takes place, value engineering meetings have been held to try to identify potential savings to be adopted. After receiving Wynne Construction's price in September 2022 further work has been carried out to try to identify further savings. This included a number of modifications including relocating the air source heat pumps from the roof of the building to an external area and changing the specification of elements such as fences and external walls. This exercise has identified savings of around **£251,000** to the project budget.

3.5 The increase in these and other costs means that the total cost of the project is now **£8,753,206** with a Childcare Grant of **£308,000** and an Additional Learning Needs Grant of **£300,000** bringing the need to increase the Sustainable Learning Communities funding by **£8,145,206**.

4. NEXT STEPS

Therefore, due to the increase in the costs of Ysgol Treferythyr the budget we will need to realise the project is significantly higher than what was agreed in March 2021. This means that there is now a deficit of **£3,261,880** in the budget and therefore we ask the Cabinet:

4.1 To approve increasing the Sustainable Learning Communities budget for the development of the new Ysgol Treferythyr to **£8,145,206**.

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- 4.2** Allow the transfer of **£3,261,880** from the Sustainable Learning Communities Programme budget (Band B) in order to meet a significant increase in the costs of the project, which will lead to a reduced budget to realise other projects within the Gwynedd Band B Sustainable Learning Communities Programme.

STATUTORY OFFICERS' COMMENTS

Head of Finance

"I can confirm the accuracy of the figures in the report. I have no objection to the decision sought."

Monitoring Officer

The report sets out the background which led to this request for additional Resource. This is a logical step considering the original basis and justification for taking this important project forward. The steps taken, to ensure value for money are properly explained. I am satisfied with the propriety of the recommendation.